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SUBJECT: Economic Minister Erhard Speaking about Chancellor Adenauer and Germany's Position in GATT

Minister Hans Schaffner, Chief of the Division of Commerce of the Swiss Government, a man of large talent and prestige here, has most intimate relations with Dr. Ludwig Erhard, Minister of Economic Affairs of the Federal German Republic.

After luncheon today at my house, Minister Schaffner gave me privately a sidelight on Dr. Erhard's view about his own position in German economic affairs affecting European integration and his position vis-à-vis Chancellor Adenauer in such matters.

Minister Schaffner said Dr. Erhard told him in Paris last week that he was "beginning to feel all alone in my own country" on the question of the Free Trade Zone problem as related to the Common Market.

"The German politicians who might be influential in the question", said Dr. Erhard, "seem to think the Common Market problems are enough of a headache without bothering themselves further in such a complicated matter as our position toward the Free Trade Zone."

Minister Schaffner told me he asked Dr. Erhard what Chancellor Adenauer's private position was in all this. Dr. Erhard replied, "The Chancellor has only one all absorbing concept in this. It is, in fact, a fixation; his determination for German rapprochement with France. Everything I say to him comes back to that. When I speak of the Common Market to the Chancellor, he is interested in general, but in particular because it flows in the direction of rapprochement with France. But, when I attempt to outline the need for a stronger German advocacy of the Free Trade Area and for the wider European freedom of trade that this implies, the Chancellor loses interest."

For these reasons, Dr. Erhard explained, he feels (at the moment at least) hamstrung in trying to foster a stronger German appeal on France for a modification of France's restrictive position in the GATT discussions.

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From Embassy, Paris

and his private frustration in this was deeply impressed on his close friend, Minister Schaffner.

Henry J. Taylor

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